

**Before the  
Federal Communications Commission  
Washington, DC 20554**

In the Matter of	)	
Palau National Communications Corporation	)	DA 01-2838
Petition for Declaratory Ruling that Palau National	)	
Communications Corporation is subject to FCC	)	
Jurisdiction and Eligible to Participate in Universal	)	
Service Programs and the National Exchange	)	
Carriers Association	)	
Petition for Related Waivers and Application for	)	
International Section 214 Authority	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45

**COMMENTS**

The Pan-Pacific Education and Communication Experiments by Satellite (PEACESAT) submits its Comments in response to Palau National Communications Corporation's (Palau) Petition for Waiver. The comments are made in accordance with the Commission's December 6, 2001 *Public Notice*.

The PEACESAT program works with educational, health care, and governmental institutions in the Pacific insular areas to further distance learning, telehealth, and other public service networks. The networks share educational, health care, and other resources within the region.

Palau requests a declaratory ruling and related waivers to include Palau in the Commission's universal service program and to allow its participation in the National

Exchange Carriers Association (NECA). Palau further requests waivers from provisions of the Commission's rules that would preclude it from participating in receiving high-cost universal service support and participating in NECA's access tariffs and pools as of January 1, 2002.

The Pacific Insular Areas associated with the United States qualify for participation in many U.S. programs. The Compact of Free Association ("Compact"), ratified by the U.S. Congress defines the terms and relationship between the United States and Palau. Under the Compact, the Commission is given jurisdiction under various telecommunication services. In 1999, the FCC opened CC Docket No. 96-45; DA 99-2607 on issues related to these insular areas. Since Palau and other Freely Associated States have a special relationship with the United States as defined in the Compact, the FCC Docket specifically sought comments on the inclusion of the Freely Associated States in the definition of "insular areas" eligible for universal service programs. To date the FCC has not ruled on this definition.

The inclusion of Palau in both NECA and the universal service program would have a direct impact on increasing competition for telecommunication services and lessening telecommunication costs to consumers. This would have a positive effect of enabling Palau the ability to participate in regional distance learning and telehealth programs and to support economic development through e-commerce activities.

PEACESAT therefore urges the Commission to give favorable consideration of Palau's request for the appropriate waivers.

Respectfully submitted,

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